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October 17, 2005

VIA COURIER DELIVERY

Mr. Andy Pollock
Executive Director
Nebraska Public Service Commission
300 The Atrium
1200 "N" Street
Lincoln, NE 68509-4927

Re: Reply Brief of Aquila, Inc. d/b/a Aquila Networks in
Support of Limited Cost Recovery
Application No. NG-0031

Dear Mr. Pollock:

Enclosed for filing in the above-referenced case is the original and eight (8) copies of an *Reply Brief of Aquila, Inc. d/b/a Aquila Networks in Support of Limited Cost Recovery*. Please file stamp the extra copy and return same to my office in the enclosed self-addressed stamped envelope.

If you have any questions or concerns regarding the enclosed filing, please contact me at your earliest convenience.

Sincerely,



Douglas J. Law

DJL/lw
Enclosures

OM-205380-1

KANSAS CITY, MISSOURI • ST. LOUIS, MISSOURI • OVERLAND PARK, KANSAS • OMAHA, NEBRASKA
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AFFILIATES: LEEDS • MANCHESTER • MEXICO CITY • MONTREAL • TORONTO • VANCOUVER

BEFORE THE PUBLIC SERVICE COMMISSION OF NEBRASKA

In the Matter of Aquila, Inc. d/b/a Aquila)	Application No. NG-0031
Networks (Aquila), seeking authority for Limited)	
Cost Recovery in the State of Nebraska)	
)	
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)	

**REPLY BRIEF OF AQUILA, INC. d/b/a AQUILA NETWORKS
IN SUPPORT OF LIMITED COST RECOVERY**

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Dated: October 17, 2005

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**REPLY BRIEF OF AQUILA, INC. d/b/a AQUILA NETWORKS
IN SUPPORT OF LIMITED COST RECOVERY**

Aquila, Inc. d/b/a Aquila Networks (“Aquila”) hereby submits this brief pursuant to Commission’s Procedural Order Entered September 9, 2005 wherein Aquila was permitted to file its legal and policy argument in support of its filing. The Public Advocate and Aquila each filed Initial Briefs on October 7, 2005 on the policy and law regarding Aquila’s LCR application. Each party is further provided an opportunity to file Reply Briefs on or before October 17, 2005. Oral argument in this proceeding is set for October 19, 2005 at 1:30 p.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln, Nebraska.

Aquila reaffirms its request for its Limited Cost Recovery (LCR) application under both legal and policy grounds.

POINTS OF LAW AND SUMMARY OF ARGUMENT

As noted in its Initial Brief in this proceeding, Aquila requests that the Commission approve its request for limited cost recovery in the state of Nebraska. The legal and policy reasons justifying approval were summarized as follows:

- The State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1804 et seq. (2003) gives the *Commission full power, authority, and jurisdiction to do all things*

necessary and convenient for the exercise of such power to regulate natural gas public utilities. Neb. Rev. Stat. § 66-1804(1) (2003) (emphasis added).

- The State Natural Gas Regulation Act and *all grants of power, authority, and jurisdiction in the Act made to the commission shall be liberally construed, and all incidental powers necessary to carry into effect the provisions of the Act are expressly granted to and conferred upon the commission.* Neb. Rev. Stat. § 66-1804(2) (2003) (emphasis added).
- The Commission may adopt and promulgate rules and regulations to govern the mode and manner of its proceedings, including but not limited to, procedures and requirements of applications for rate and tariff changes. Neb. Rev. Stat. § 66-1805 (2003).
- Under the State Natural Gas Regulation Act, the term “*General rate filing*” means any filing which requests changes in **overall revenue requirements** for a jurisdictional utility. Neb. Rev. Stat. § 66-1801(6) (2003) (emphasis added).
- Under the Act, the term “*Rate*” means *every compensation, charge, fare, toll, tariff, rental, and classification, or any of them, demanded, observed, charged, or collected by any jurisdictional utility for any service.* Neb. Rev. Stat. § 66-1801(12) (2003) (emphasis added). Rate changes are not limited under the Act to only “General rate filings.”
- Section 66-1808 of the Act grants authority to the Commission to permit changes in *rates, or any term or condition of service pertaining to the service or rates of such utility.* The Commission shall not delay the effective date of a proposed change in rates or any term or condition of service pertaining to the service or rates of any

jurisdictional utility, more than one hundred eighty days beyond the date of filing.

Neb. Rev. Stat. § 66-1808 (2003) (emphasis added).

- The provisions authorizing review of rate changes in Section 66-1808 do not apply to General rate filings. Neb. Rev. Stat. § 66-1808(1) (2003).
- Section 66-1809 of the Act grants the Commission authority, upon its own initiative, to investigate all schedules of rates, contracts, and terms and conditions of service of jurisdictional utilities. This investigation is not part of and is outside the procedures of a General rate filing and is not subject to the requirements of Section 66-1838 of the Act.
- Section 66-1825 of the Act sets forth requirements for natural gas rates of a jurisdictional utility. That Section of the Act does not mandate a General rate filing for implementation of those requirements. Nor does Section 66-1825 limit application of those requirements only to a General rate filing. Those requirements can be applied to other rate changes.
- ***The requirements of Section 66-1838 of the Act apply only to General rate filings.*** Neb. Rev. Stat. § 66-1838 (2003) (emphasis added). The provisions of that Section relate to changes in overall revenue requirements for a jurisdictional utility. The limited cost recovery sought by Aquila is not intended as a General rate filing requiring an all inclusive review of revenues and expenses. Instead, it is a change in rates, i.e., customer charge, that results in limited recovery of costs.
- The State Natural Gas Regulation Act provides in ***Section 66-1855 that the commission may authorize, consistent with general regulatory principles, including, but not limited to*** (1) banded rates with a minimum and maximum rate

that allows the jurisdictional utility to offer ratepayers rates within the rate band for the purpose of attracting additional natural gas service demand or to retain such demand, (2) mechanisms for the determination of rates by negotiation, and (3) customer choice and other programs to be offered by a natural gas public utility to unbundled one or more elements of the service provided by the utility. Neb. Rev. Stat. § 66-1855 (2003) (emphasis added). This Section does not limit the types of alternative ratemaking filings that a jurisdictional utility may present or that the Commission may approve to only those resulting from a General rate filing. In fact, it authorizes the Commission to approve a variety of different rate methods so long as those methods are consistent with “general regulatory principles.” Aquila’s LCR filing is intended as an alternate rate making filing, and is consistent with general regulatory principles.

- In addition to the State Natural Gas Regulation Act, Aquila’s Limited Cost Recovery application should be approved on policy grounds. This LCR, as would be the case for any future LCR filing, is intended to benefit all parties. As stated in the LCR application, the purpose of an LCR is to avoid the time and expense of all parties required under General rate filing statutes. The Act provides for alternative rate making ability authority for actions other than a full blown rate proceeding. Aquila’s application for limited cost recovery fall squarely within that authority.
- Some of the benefits identified for approval of an LCR versus a General rate filing were set forth on page 4 of Aquila’s LCR application. Those reasons are adopted and incorporated by reference here. The LCR application includes the following reasons supporting LCRs: (1) smaller increases under an LCR than a General rate filing,

(2) potentially lower regulatory and litigation costs to attain just and reasonable rates, (3) more timely recovery of increased rates, which could lead to less frequent or longer periods between General rate filings, (4) potential reduction in the level of request under an LCR, and (5) assisting Aquila in becoming more competitive with its government owned and operated utility competitors who are not subject to the same regulatory burdens and review imposed upon jurisdictional utilities in Nebraska.

- Approval of an LCR can result in just and reasonable rates without violating the Act.

No General rate filing is mandated by the Act to process an LCR request.

REPLY ARGUMENT

I. NEBRASKA LAW PERMITS LIMITED COST RECOVERY

Issue: The Commission can conduct rate review proceedings that may result in revenue increases outside the General rate filing procedures set forth in Section 66-1838 of the Act.

Aquila takes that position that the Commission has ample authority under the Act to review Aquila's LCR application, and can do so outside of the General rate filing requirements set forth in Section 66-1838 of the State Natural Gas Regulation Act. Neb. Rev. Stat. § 66-1838 (2003).

As noted above, numerous provisions contained in the State Natural Gas Regulation Act provide the Commission with broad authority to ensure that the natural gas rates of a jurisdictional utility are just and reasonable. *See, e.g.*, Neb. Rev. Stat. § 66-1804, 66-1808, 66-1825 and 66-1855. To argue that the only regulatory review process for changing rates that produce additional revenue must be a General rate filing would mean to ignore the extensive Commission rate setting and review authority. As Aquila quoted in its Initial Brief, the State Natural Gas Regulation Act grants the Commission's extensive authority to administer its

responsibilities under the Act. All grants of power, authority, and jurisdiction in the Act made to the Commission shall be construed liberally.

Aquila believes that the Public Advocate has taken too narrow an interpretation of the Act as it relates to the Commission review and approval authority over revenue and rates. While Aquila understands why the Public Advocate has advanced its interpretation of the Act, we respectfully disagree with the limitations that area imputed to the Commission's regulatory review powers regarding Aquila's LCR application.

For example, the plain language of Section 66-1808 provides for Commission authority to change rates or any term or condition of service. Neb. Rev. Stat. § 66-1808 (2003). Nowhere in Section 66-1808 is there a restriction prohibiting the Commission from reviewing a rate application that changes revenue. In fact, Section 66-1808(1) states that the provision of that Section does not apply to General rate filings. Nor is there a requirement in 66-1808 expressing that if a rate review produces a change in revenue that it automatically and only follow the procedures of 66-1838. Section 66-1838(1) states that the General rate filing statutes provisions apply only to General rate filings. The same argument applies to Section 66-1825 and Section 66-1855.

As presented in Aquila's Initial Brief, the basic issue for the Commission to decide as a matter of law is whether any rate review that results in a revenue increase (or decrease) must follow the General rate filing procedures set forth in Section 66-1838 of the Act. The Public Advocate appears to take the position that Section 66-1801(6), which states that a General rate filing means any filing which requests changes in overall revenue requirements for a jurisdictional utility, requires all revenue changing events to follow Section 66-1838 rate procedures.

On the other hand, Aquila presented its position that there is a difference between rate changes that produce additional revenue and General rate changes that increase “overall revenue requirements.” Aquila does not believe that limited recovery of costs automatically equates to an “overall revenue requirement.”

To support Aquila’s position it pointed to several examples of revenue changing filings that are handled outside a rate case and without following the requirements used for a General rate filing. Aquila also pointed to other states that have permitted revenue changes without conducting a rate case. Aquila understands that Nebraska’s Act is not identical to other states. However, the intent and scope of Nebraska’s State Natural Gas Regulation Act was modeled after surrounding states and is not dissimilar to those states which permit revenue generating rate filings outside a rate case.

Aquila’s limited cost recovery filing is not seeking a change in “overall revenue requirements.”¹ Instead it is seeking a partial, limited recovery of costs. The actual filing seeks a change in the monthly Customer Charge rate of approximately \$.47. The filing did not seek a wholesale change in the all of its revenue requirements as is presented in a General rate filing.

Issue: The Commission can approve Aquila’s Limited Cost Recovery application pursuant to Section 66-1855 of the Act.

The Public Advocate takes issue with Aquila’s reference to Section 66-1855 of the Act as support for its LCR application. Section 66-1855 states as follows:

The commission may authorize, consistent with general regulatory principles, including, but not limited to (1) banded rates with a minimum and maximum rate that allows the jurisdictional utility to offer ratepayers rates within the rate band for the purpose of attracting additional natural gas service demand or to retain such demand, (2) mechanisms for the determination of rates by negotiation, and (3) customer choice and other programs to be offered by a natural gas public utility to unbundle one or more elements of the service provided by the utility.

¹ Meaning a full and comprehensive review of every individual cost item of determining the “overall revenue requirement” to provide a fair and reasonable return on investment.

A review of the specific language of this provision demonstrates that the “Commission may authorize, consistent with general regulatory principles, including but not limited to” a variety of rates. See Neb. Rev. Stat. § 66-1855 (2003). The language in Section 66-1855 does not limit the Commission’s authority to approve alternative rate making mechanism to only those listed in Section 66-1855. Instead the language provides that so long as a rate proposal is “consistent with general regulatory principles” the commission may authorize that proposal. The Public Advocate appears to limit the Commission’s rate making authority where the plain language of the statute does not.

Section 66-1855 does not mandate that any alternate rate making proposal be conducted pursuant to Section 66-1838. Aquila submits that such proposals may be conducted using either the Section 66-1808 procedures, or pursuant to a General rate filing made under Section 66-1838 of the Act. The Commission’s authority on this point must be construed liberally. The Public Advocate appears to argue for a narrow interpretation of the types of programs that are permitted by this statute. Aquila’s limited cost recovery proceeding is an alternative form of rate making that results in a partial recovery of its cost. Aquila’s LCR application is consistent with general regulatory principles as was demonstrated throughout Aquila’s Initial brief. Aquila’s LCR application is consistent with how other states treat limited costs outside of a rate case. Aquila’s LCR application is consistent with authority granted under the Act.

Section 66-1808 of the Act provides for Commission investigation of Aquila’s LCR application. Section 66-1825 provides for rate setting principles to be administered by the Commission, other sections of the Act also apply in review and approval of Aquila’s LCR.

Notwithstanding the above reasoned interpretation, Aquila acknowledged that differing interpretations under the Act are permissible. It is somewhat difficult to distinguish and

thereafter reconcile the language in Section 66-1801(6) and 66-1838 with the Commission's rate authority under Sections 66-1801(12), 66-1808, and 66-1855. Aquila concludes that because Section 66-1804, 66-1808, 66-1825, and 66-1855 provide for rate making authority that is broad, general, and construed liberally, the Commission may address an LCR outside a General rate filing. That is also why Aquila sought initial determination from the Commission of its interpretation of the proper procedures for an LCR so that all parties could proceed with regulatory certainty. On the other hand, the Public Advocate does not appear to acknowledge that any other process could be followed under the Act for prosecuting a limited cost recovery application other than a General rate filing. Aquila disagrees with this narrow interpretation of the Act.

Issue: The Commission can approve Aquila's Limited Cost Recovery application on numerous policy grounds.

Aquila anticipated that one or more of the parties may argue that any change of a rate, or at least a rate increase, would mean filing a General rate filing. The Public Advocate argues that if a change is sought by a jurisdictional utility that results in a change in overall revenue requirements for the utility, then a General rate filing must be adhered to. See Public Advocate Initial Brief at pp. 5 and 6.

The Public Advocate appears to confuse Aquila's LCR application with single issue ratemaking. The argument presented in the Public Advocate's brief claims that Aquila is "considering only part of the costs" and seeking revenue increases for costs that increase but ignoring costs that may have decreased. P.A. Brief at pp. 5 and 6.

First of all, the LCR does not single out any specific cost. The CPI-U approach (less efficiency incentive) presented in Aquila's LCR application is applied to Aquila's margin, which takes into account a variety of costs. Aquila demonstrated in its LCR application that the net of

increases and decreases of all costs is 2.5%. However, Aquila is only using 2.0% in its LCR request to show that it is willing to try and operate more efficiently than general inflation.

Second, at least two of the alternative methods (#1 and #3) presented in Aquila's LCR application could be used by the Commission to gauge the reasonableness of Aquila's LCR request. Each of those methods of review have taken into account the increases and decreases of all cost categories. In addition, those two methods also consider regulatory disallowances. As Aquila pointed out in its LCR Application, those methods each demonstrate that reliance upon those rate methods could produce a rate change that results in revenue that is 70-80% higher than the CPI-U method.

Aquila is not cherry-picking as the Public Advocate states as a concern. The point of a Limited Cost Recovery is to avoid the single-issue rate making arguments. The Commission should not be persuaded by those concerns as they don't apply here.

Similarly, the Public Advocate's argument that the Commission must look at all of Aquila's accounts to assure itself that just and reasonable rates result after approval of Aquila's application is also misplaced and should be rejected. That is what General rate filings are about. If Aquila were seeking an "overall change in its revenue requirements" then it would agree that such a review may be appropriate. However, where alternative rate making mechanism is being sought, and limited recovery of costs are requested under that alternative rate making mechanism, then detailed cost of service and other requirements associated with General rate filings are not necessary.

Aquila presented a variety of methodologies for the Commission to consider using as a basis for reviewing and thereafter approving Aquila's LCR application. One of the methods used looked at the settled issues in Aquila's most recent rate case. In that rate proceeding, the

parties agreed upon rates that were based upon a Class Cost-of-Service Study. The parties to the General rate filing proceeding agreed to rates that were lower than Aquila's submitted request. While the actual rates implemented by Aquila were ultimately derived from a settlement, logic and reason and fundamental fairness dictate that level as a reasonable starting point for review since that proceeding settled all of the controversial issues raised therein.

Aquila contends that the Public Advocate's argument that "the only way to make a truly informed and accurate determination of whether the utility's costs are such that a rate change may be required is to examine all pertinent costs – i.e., both costs that have increased and those that have decreased since the last determination" is simply not accurate. See, e.g., Public Advocate Brief at p. 7. While it may be one of the better ways to determine just and reasonable rates, it certainly is not the only process that can be used by the Commission to establish just and reasonable rates.

Issue: Aquila will continue reviewing the costs and benefits of conducting a General Rate filing after its LCR is approved.

Aquila conducts periodic review of its earnings to determine whether its overall revenue requirements are being met. Aquila's request for limited cost recovery does not intend to permanently replace General rate filings. To the contrary, if costs rise or decrease to a significant level then a General rate filing would still be necessary. The intent of an LCR, as presented in the application, is to hopefully extend the period between General rate cases, or to reduce the level of that necessary request.

The Public Advocate either misrepresents or is confused as to the purpose of an LCR when it suggests that Aquila may abandon cost benefit analysis or look only to rising costs if the Commission approves a limited cost recovery mechanism. The LCR looks at various methods,

and not specifically at particular costs. Even if an LCR is approved, Aquila does not intend to assign that limited recovery of its costs to a specific category of cost items.

Issue: The Commission does not grant automatic increase of overall revenue requirement if it approves Aquila's LCR.

On pages 9 and 10 of its Initial Brief, the Public Advocate states that even if certain costs go up for Aquila, it may not file a General rate for a variety of reasons, and that an LCR may permit automatic recovery of costs that may otherwise not be recovered from ratepayers.

Aquila replies that an LCR is intended to permit more timely recovery of increasing legitimate costs. The recovery is not automatic. However, the intended benefit is to avoid the greater increases normally associated with General rate filings. Part of the intended purpose of an LCR filing is to reduce or eliminate some of the regulatory lag inherent in the traditional rate case process. Aquila's LCR is intended to seek limited recovery of costs through an increased Customer Charge.

The Public Advocate's argument that not all costs are recoverable, misses the intent and structure of an LCR. Aquila is not seeking recovery of controversial costs.² It is attempting to recover costs that would be granted in a General rate filing, but seeks to avoid the cost and expense within a rate filing. If the Commission follows the interpretation of the Public Advocate, then Jurisdictional Utilities may file annual or more frequent rate proceedings.

The Public Advocate's argument, if understood properly, also appears to ignore the Commission review and monitoring authority under the Act outside of a rate case review. The Commission has the power to review the reasonableness of Aquila's rate change under an LCR

² For example, methods #1 and #3 presented in Aquila's LCR application show a recovery basis of approximately \$1.7 million. Aquila further reduced that amount by \$700,000 to remove all controversy and for an expedited approval.

application. In addition, if the Commission believes that Aquila's rates are unjust and unreasonable it could initiate an investigation to seek to reduce those rates.

Aquila opposes the interpretation and inference that any cost recovery must go through the General rate filing review procedures to achieve just and reasonable rates. To permit an LCR does not permit automatic recovery of legitimate costs or automatically cause an increase in overall revenue requirements. While the increase in the Customer Charge would increase the revenue of Aquila, that change by itself does not demand a review of every category of cost as pleaded by the Public Advocate.

Issue: The Commission is able to review Aquila's LCR application to determine whether the resulting rate change produces just and reasonable rates.

The Public Advocate argues on pages 10 and 11 of its Brief that the Commission will be deprived of its ability to properly review the justness and reasonableness of Aquila's rates if it permits an LCR application to proceed without a General rate filing review. The argument presents a concern that the LCR will permit Aquila to "cherry pick" rate case issue winners and exclude "loser" issues. The Brief notes a concern that the Public Advocate would be deprived of an opportunity to negotiate or the Commission to properly review "loser" issues if an LCR is permitted.

This argument again confuses the structure and purpose of an LCR. An LCR is not single or multiple issue rate making. It is true that the Public Advocate would not conduct a full, comprehensive review of each and every account of Aquila if an LCR is approved. However, there are other methods of achieving just and reasonable rates.

For example, one of the methods presented in Aquila's LCR application looks at the approved level of revenues and expenses from the last rate case. That review looks at the middle ground previously reached by the parties in Aquila's most recent General rate proceeding.

Other methods presented in Aquila's LCR don't look at "winners" or "losers" as their basis for the commission to review the rate change and resulting limited cost recovery sought under the LCR application. The CPI-U analysis that is presented as a basis for Commission review of Aquila's LCR rate proposal doesn't address specific issues, but inflation in general. In addition, the telecom standard of one percent (1%) of revenue doesn't look to specific winners and losers. Similarly, the "Rate Case Average" method doesn't look to specific winners and losers. Instead it looks at prior approved costs stemming from a General rate filing where the net of "winners" and "losers" have already been determined.

The LCR of Aquila demonstrated what might happen if a General rate filing application was made by Aquila and then further reduced that amount to remove further argument. In other words, one could view the rate change requested by Aquila's in its LCR filing as essentially giving the Public Advocates all of its "winners" along with Aquila's "losers" and then permitting a portion of Aquila's "winners" to be granted. The Commission's duty to establish just and reasonable rates under the Act does not mandate that the Commission conduct a complete review of each and every "winner" and "loser" only, but rather it can employ a variety of methods that comply with Sections 66-1808, 66-1825, and 66-1855 or other relevant statutes that result in just and reasonable rates.

Issue: The Commission does not need to rely upon Cost of Service Studies to establish just and reasonable rates.

The Commission may reject the Public Advocate's arguments regarding a requirement and importance of a Class Cost-of-Service Study, in establishing just and reasonable rates. See Public Advocate Brief at pp 11 and 12. Not all rates set by a Public Service Commission rely on a Class Cost-of-Service Study. The statement that a fully allocated Class Cost-of-Service Study is essential to rate setting flies in the face of utility precedent and practices employed in both

Nebraska and elsewhere in the United States. This argument misrepresents rate case requirements conducted by numerous Commissions around the country. Moreover, the Class Cost-of-Service Studies that are conducted and filed in rate cases are subject to varying interpretation and dispute and many times do not control the final rate design. In some cases, the Class Cost-of-Service Study filed is ignored completely. It is simple to impose a regular annual reporting mechanism that allows the commission to monitor that overall returns are appropriate, rather than throw out the entire proposal. In fact, some rate cases are conducted without Class Cost-of-Service Studies being conducted.

SUMMARY OF REPLY ARGUMENT

The Commission has authority to approve new or different rates and services without following a General rate filing procedure. The Public Advocate presents an interpretation of the State Natural Gas Regulation Act that is too narrow and ignores the broad authority of the Commission granted under the Act.

Aquila fully understands that the Limited Cost Recovery filings are not expressly identified under the State Natural Gas Regulation Act. However, Aquila can and has pointed to numerous statutes under the Act that provide the Commission with broad authority to establish just and reasonable rates. When the Commission is reviewing changes in overall revenue requirements, then it would logically follow the statutory requirements set forth for General rate filings in Neb. Rev. Stat. § 66-1838. However, when it is addressing “Rate” changes, i.e., even those that may have an impact on a jurisdictional utility’s revenues, then it may follow the procedures of Neb. Rev. Stat. § 66-1808. The Public Advocates position that neither the law nor policy permit limited cost recovery proceedings under Section 66-1808 should be rejected. That

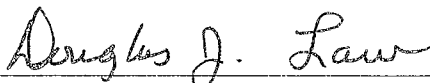
simply doesn't represent the law or the policy of Nebraska or other states who permit similar types of proceedings.

CONCLUSION

WHEREFORE, for all of the foregoing reasons, Aquila requests that the Commission approve its application to continue its Limited Cost Recovery. Approval of Aquila's request is supported by authority set forth in the State Natural Gas Regulation Act, supported by public policy, and consistent with other jurisdictions who have addressed this type of request. Specifically, the state of Kansas, from which Nebraska adopted much of its regulatory statutes also approved similar authority for Aquila.

Respectfully submitted,

**AQUILA, INC. d/b/a
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 17th day of October, 2005, a true and correct copy of the foregoing *Reply Brief of Aquila, Inc. d/b/a Aquila Networks in Support of Limited Cost Recovery* was served upon all parties by depositing a copy of the same in the United States regular mail, postage prepaid and properly addressed, to the following:

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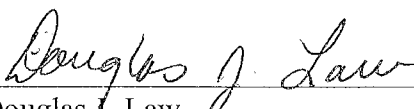
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